

**STATE OF ILLINOIS**

**ILLINOIS COMMERCE COMMISSION**

<b>Union Electric Company (AmerenUE)</b>	:	
	:	
<b>Request pursuant to Section 6-102 of the</b>	:	
<b>Illinois Public Utilities Act for an order</b>	:	
<b>authorizing Union Electric Company</b>	:	<b>02-0612</b>
<b>(AmerenUE) to incur an indebtedness by</b>	:	
<b>undertaking the obligation to pay the</b>	:	
<b>principal, interest and redemption</b>	:	
<b>premium, if any, on up to \$185,000,000</b>	:	
<b>principal amount of Senior Secured Notes</b>	:	
<b>for the purpose of refunding, redeeming</b>	:	
<b>and/or refinancing outstanding evidences</b>	:	
<b>of indebtedness.</b>	:	

**AMENDATORY ORDER**

By the Commission:

**I. INTRODUCTION**

On September 23, 2002, Union Electric Company d/b/a AmerenUE ("UE") filed a verified Informational Statement with the Illinois Commerce Commission ("Commission") in this docket pursuant to Section 6-102(d) of the Public Utilities Act ("Act"), 220 ILCS 5/1-101 *et seq.* The Informational Statement related to a proposed issuance of up to \$185,000,000 aggregate principal amount of Senior Notes ("Notes") by UE for the purpose of refunding, redeeming, and/or refinancing outstanding evidences of indebtedness. On October 1, 2002, the Commission entered an order authorizing, among other things, the proposed issuance of the Notes for the purposes described in the Informational Statement.

On February 28, 2003, UE filed a verified petition to reopen Docket No. 02-0612, request for amended relief and request for expedited treatment. On March 3, 2003, Commission Staff ("Staff") filed an answer to the petition. In its answer, Staff recommends that the Commission enter an amendatory order pursuant to Section 6-102(d) of the Act authorizing the transactions described in UE's petition.

**II. UE'S PETITION**

In its petition, UE indicates that it proposed in its Informational Statement that it would use: (1) \$104,000,000 of the proceeds from the sale of the Notes to refund through redemption its \$104,000,000 8.25% first mortgage bonds due October 15, 2022; (2) \$75,000,000 of the proceeds from the sale of the Notes to retire and refinance

its \$75,000,000 8.33% first mortgage bonds which were to mature on December 16, 2002; and (3) the remaining \$6,000,000 of the proceeds to pay the related redemption premiums and expenses. UE states that it calculated the fee required under 6-108 of the Act, based on \$6,000,000 of the proceeds, since \$179,000,000 of the proceeds were to be used to refund the principal amount of long-term debt for which the required fees had already been paid to the Commission. UE states that it paid the required fee of \$470.40 to the Commission.

UE indicates that due to market conditions, its proposed issuance of the Notes was delayed. UE states that it presently intends to proceed promptly with the proposed issuance of the Notes. Since the \$75,000,000 8.33% first mortgage bonds matured on December 16, 2002, UE paid those matured bonds by issuing short-term debt. Consequently, the proposed use of \$75,000,000 of the proceeds is now to repay the short-term debt incurred to pay at maturity the \$75,000,000 8.33% first mortgage bonds, rather than the repayment of long-term debt as described in the Informational Statement and as authorized in the Commission's October 1, 2002 Order. UE states that the use of the remaining proceeds is to continue as described in the Informational Statement and as authorized in the October 1, 2002 Order.

UE states that as a result of the revised use of the proceeds, its fee calculation pursuant to Section 6-108 of the Act needs to be recalculated to reflect the repayment of \$75,000,000 of short-term debt. UE indicates that for purposes of the fee calculation, as of December 31, 2002, its property situated in the State of Illinois constitutes 3.25% of its total property wherever situated.

UE states that other than described above, the terms and conditions of its Informational Statement filed on September 23, 2002 are unchanged.

### **III. STAFF'S ANSWER**

Staff reviewed UE's petition and Article VI of the Act. Staff indicates that UE should be required to pay an amount equal to 20 cents for every \$100 of the \$75,000,000 principal amount of Notes authorized by the Commission to be applied to the purpose of refunding short-term debt for which UE has not previously paid a fee, prorated by the percentage of UE's property located in Illinois. Staff agrees that as of December 31, 2002, 3.25% of UE's total property was situated in Illinois. Staff concludes that the resulting required additional fee of \$4,875.00 should be paid no later than 30 days after service of this Amendatory Order.

Staff recommends that the relief requested in UE'S petition be granted.

### **IV. FINDINGS AND ORDERING PARAGRAPHS**

The Commission, having considered the entire record and being fully advised in the premises, is of the opinion and finds that:

- (1) UE is a corporation engaged in the sale and distribution of electricity in Illinois and, as such, is a public utility within the meaning of the Act;
- (2) the Commission has jurisdiction over UE and the subject matter of this proceeding;
- (3) the recitals of fact set forth in the prefatory portion of this Order are supported by the record and are hereby adopted as findings of fact;
- (4) UE's proposed revised use of the proceeds of \$75,000,000 aggregate principal amount of Notes, which is repay short-term debt incurred to pay at maturity the \$75,000,000 8.33% first mortgage bonds, should be approved in accordance with Section 6-102(d) of the Act; the funds to be obtained from such issuance of the Notes are reasonably required for this purpose;
- (5) UE should pay an additional fee of \$4,875.00 in accordance with Section 6-108 of the Act;
- (6) except as modified by this Amendatory Order, the October 1, 2002 Order in this proceeding should remain in full force and effect.

IT IS THEREFORE ORDERED that UE's petition to reopen Docket No. 02-0612, request for amended relief and request for expedited treatment with respect to an Informational Statement filed on September 23, 2002 is granted.

IT IS FURTHER ORDERED that UE's proposed revised use of the proceeds of \$75,000,000 aggregate principal amount of Notes, as described above in Finding (4), is approved in accordance with Section 6-102(d) of the Act.

IT IS FURTHER ORDERED that UE shall comply with Finding (5) of this Amendatory Order.

IT IS FURTHER ORDERED that except as modified by this Amendatory Order, the October 1, 2002 Order in this proceeding shall remain in full force and effect.

IT IS FURTHER ORDERED that, subject to the provisions of Section 10-113 of the Act and 83 Ill. Adm. Code 200.880, this Order is final; it is not subject to the Administrative Review Law.

By order of the Commission this 4<sup>th</sup> day of March, 2003.

(SIGNED) EDWARD C. HURLEY

Chairman